

SERVICE DATE - JUNE 6, 2001

SURFACE TRANSPORTATION BOARD

DECISION

STB Finance Docket No. 34036 (Sub-No. 1)

THE BURLINGTON NORTHERN AND SANTA FE RAILWAY COMPANY--
TRACKAGE RIGHTS EXEMPTION--UNION PACIFIC RAILROAD COMPANY

Decided: May 30, 2001

By petition filed April 24, 2001, The Burlington Northern and Santa Fe Railway Company (BNSF) and Union Pacific Railroad Company (UP) (collectively, petitioners) request that the Board permit the trackage rights arrangement exempted in STB Finance Docket No. 34036¹ to extend only until August 8, 2001.

According to petitioners, the trackage rights arrangement exempted in STB Finance Docket No. 34036 is necessary because BNSF will be performing maintenance and repairs on its main line and will utilize the trackage rights over UP's line as an alternate route for BNSF traffic during that time. However, petitioners state that UP is willing to grant temporary operating rights on its trackage only during the periods of maintenance activity on BNSF's trackage. Petitioners further state that operating crew constraints on UP dictate that BNSF's operations over UP's trackage be handled as trackage rights rather than as a detour arrangement. Petitioners maintain that, without approval of temporary trackage rights, it is unlikely that any other arrangement can be reached to allow BNSF to operate over UP's line, and that, in the absence of the trackage rights arrangement, BNSF would face the possibility of severe congestion and service disruption on its main line.

Although the parties have expressly agreed on the term of the proposed trackage rights arrangement, trackage rights approved under the class exemption normally remain effective indefinitely regardless of any durational contract provisions. Occasionally, trackage rights exemptions have been granted for a limited term rather than in perpetuity. See The Burlington Northern and Santa Fe Railway Company--Trackage Rights Exemption--Union Pacific Railroad

¹ On April 24, 2001, BNSF filed a notice of exemption under the Board's class exemption procedures at 49 CFR 1180.2(d)(7). The notice covered the agreement by UP to grant temporary overhead trackage rights to BNSF over UP's rail line on the Black Butte and Valley Subdivisions between Klamath Falls, OR, in the vicinity of UP's milepost 428.7 and Binney Junction (Marysville), CA, in the vicinity of UP's milepost 141.9, a distance of 285 miles. See The Burlington Northern and Santa Fe Railway Company--Trackage Rights Exemption--Union Pacific Railroad Company, STB Finance Docket No. 34036 (STB served May 10, 2001). The trackage rights operations under the exemption became effective and were scheduled to be consummated on May 1, 2001.

Company, STB Finance Docket No. 33926 (Sub-No. 1) (STB served Oct. 6, 2000); Union Pacific Railroad Company--Trackage Rights Exemption--The Burlington Northern and Santa Fe Railway Company, STB Finance Docket No. 33879 (Sub-No. 1) (STB served June 23, 2000); The Burlington Northern and Santa Fe Railway Company--Trackage Rights Exemption--Union Pacific Railroad Company, STB Finance Docket No. 33838 (Sub-No. 1) (STB served Feb. 4, 2000); and Union Pacific Railroad Company--Trackage Rights Exemption--The Burlington Northern and Santa Fe Railway Company, STB Finance Docket No. 33748 (Sub-No. 1) (STB served June 15, 1999).

Under 49 U.S.C. 10502, we may exempt a person, class of persons, or a transaction or service, in whole or in part, when we find that: (1) continued regulation is not necessary to carry out the rail transportation policy of 49 U.S.C. 10101; and (2) either the transaction or service is of limited scope, or regulation is not necessary to protect shippers from the abuse of market power.

BNSF's trackage rights have already been authorized under the class exemption at 49 CFR 1180.2(d)(7). See Railroad Consolidation Procedures, 1 I.C.C.2d 270 (1985). Limiting the term of the trackage rights is consistent with the limited scope of the transaction previously exempted and will have no adverse impact on shippers on the line as the trackage rights that are the subject of the exemption are for overhead traffic only. Therefore, we will grant the petition and permit the trackage rights exempted in STB Finance Docket No. 34036 to expire on August 8, 2001.

This action will not significantly affect either the quality of the human environment or the conservation of energy resources.

It is ordered:

1. Under 49 U.S.C. 10502, we exempt the trackage rights described in STB Finance Docket No. 34036, as discussed above, to permit the trackage rights to expire on August 8, 2001.
2. Notice will be published in the Federal Register on June 6, 2001.
3. This decision is effective on July 6, 2001.

4. Petitions to reopen must be filed by June 26, 2001.

By the Board, Chairman Morgan, Vice Chairman Clyburn, and Commissioner Burkes.

Vernon A. Williams
Secretary